Joseph N. Casas (SBN 225800)
Tamara M. Craft (SBN 234419)
CASAS LAW GROUP, P.C.
2323 Broadway, Suite 202
San Diego, CA 92102
Phone: (619) 692-3146
Facsimile: (619) 692-3196
Email: joseph@casaslaw.com

Attorneys For Defendant
Matthew La Madrid

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,

v.

PLUS MONEY, INC. AND MATTHEW LA MADRID.

Defendants,

THE PREMIUM RETURN FUND LIMITED-LIABILITY LIMITED PARTNERSHIP; THE PREMIUM RETURN FUND II LIMITED-LIABILITY LIMITED PARTNERSHIP; THE PREMIUM RETURN FUND III LIMITED-LIABILITY LIMITED PARTNERSHIP; RETURN FUND, LLC; RETURN FUND II, LLLC; RETURN FUND III, LLC; RETURN FUND IV, LLC; RETURN FUND V, LLC; RETURN FUND VI, LLC; PALLADIUM HOLDING COMPANY; and DONALD LOPEZ,

Relief Defendants.

CASE NO. 08-CV-0764 BEN (NLS)

DECLARATION OF MATTHEW LA MADRID IN SUPPORT OF MOTION TO STAY CIVIL PROCEEDINGS PENDING RESOLUTION OF CRIMINAL ACTION

Date: August 11, 2008
Time: 10:30 a.m.
Courtroom: 3
Judge: Hon. Roger T. Benitez

I, Matthew La Madrid, declare:

1. I am a defendant in this action and have personal knowledge of the facts stated herein. If called as a witness, I could testify competently thereto.

2. I am a shareholder in defendant Plus Money, Inc.

3. I am defending charges filed by ten (10) individual investors in a California state proceeding, case number 37-2008-00081169-CU-SL-CTL. However, that case was stayed on or about July 2, 2008 as a result of filing a motion requesting a stay of proceedings because of my exposure in a related criminal investigation and prosecution. A status conference is set for January 23, 2009 in Department 64 of the San Diego County Superior Court to review the status of any known criminal investigation and/or prosecution and the status of the receivership. I am currently defending charges filed by the Securities and Exchange Commission ("SEC") in this action. I am also the subject of an ongoing criminal investigation by Assistant U.S. Attorney Steven E. Stone of the United States Attorney's Office for the Southern District of California ("AUSA").

4. The SEC and the AUSA have been conducting concurrent investigations of me relating to sales of securities and investment activities on behalf of Plus Money, Inc. Both the civil and the criminal investigations arise from and relate to the same activities.

5. On April 17, 2008, the Federal Bureau of Investigation raided my personal residence and seized numerous items including computers and business records as part of the AUSA's ongoing criminal investigation.

6. On April 28, 2008, the SEC filed the instant action against me based on the same alleged activities.

7. Approximately one week ago, I fired my criminal attorney, Charles Goldberg, and appointed Joseph Casas as my new defense attorney.

8. I am informed and believe through discussions with my former criminal attorney, Charles Goldberg, that the United States Attorney's Office is actively pursuing its criminal investigation, and that an announcement of my indictment as a defendant is "imminent."

9. I have been fully cooperating with the AUSA in its investigation. I have not attempted to secrete any of my assets since approximately ~~April~~ JAN 1, 2008 when my legal problems began.

10. Any meaningful defense I could raise in this action would be based on significant, potentially incriminating, disclosures that the AUSA would have access to in conducting its criminal investigation. If this civil proceeding is not stayed, I will unfairly be forced to choose between waiving my Fifth Amendment rights and defending myself in this action, or asserting the privilege and face the likelihood of losing this proceeding. The exercise of my Fifth Amendment rights should not be made so costly.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 7, 2008 at San Diego, California.

Matthew La Madrid